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TO RUEHC/SECSTATE WASHDC PRIORITY 0822
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RUEHBO/AMEMBASSY BOGOTA 3480
RUEHBR/AMEMBASSY BRASILIA 7341
RUEHBU/AMEMBASSY BUENOS AIRES 4603
RUEHCV/AMEMBASSY CARACAS 1857
RUEHPE/AMEMBASSY LIMA 1898
RUEHME/AMEMBASSY MEXICO 1809
RUEHMN/AMEMBASSY MONTEVIDEO 4067
RUEHQT/AMEMBASSY QUITO 4493
RUEHSG/AMEMBASSY SANTIAGO 9068
RHEHNSC/NSC WASHINGTON DC
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RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS LA PAZ 002723

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STATE FOR WHA/AND
TREASURY FOR SGOOCH
ENERGY FOR CDAY AND SLADISLAW

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TAGS: [ECON](#) [ELAB](#) [EMIN](#) [PGOV](#) [PREL](#) [BL](#)
SUBJECT: MINING: FIGHTING ENDS, TALKS BEGIN

REF: A. LA PAZ 2698

[1](#)B. LA PAZ 2719

[1](#)1. (SBU) Summary: In response to deadly clashes between state mining workers and independent cooperative miners in Huanuni, President Morales replaced the mining minister and the head of the state-owned mining company COMIBOL on October [1](#)7. A GOB commission held talks with both sides on October 9, but the cooperative miners walked out and refused to return until the government met a list of demands. The Cooperative Mining Federation will hold a meeting in Oruro on October 10 to discuss next steps. The Federation harshly criticized President Morales' behavior during the conflict. The Bolivian Workers Union and opposition congressmen are threatening to initiate legal proceedings against President Morales and several ministers for the Huanuni deaths. End summary.

Mining Leaders Replaced

[1](#)2. (SBU) In response to deadly clashes between state mining workers and independent cooperative miners (ref A), on October 7, President Morales replaced Mining Minister Walter Villarroel, former cooperative miner, with Jose Dalence, former leader of state mining workers, a move which was rejected by the cooperative mining federation. The cooperative miners, who make up 82 percent of Bolivia's mining population, say they feel betrayed by the Morales administration, which made grand promises to the sector during its campaign. The president of the state-owned mining company COMIBOL, Antonio Revollo, was replaced by Hugo Miranda Rendon, a mining engineer who had previously worked for COMIBOL for 26 years. In his speech naming the new leaders, President Morales denounced a conspiracy against his government and lamented that the miners had been turned into an "instrument of the neoliberals."

Cooperative Miners Walk Out of Talks

13. (SBU) The cooperative miners and COMIBOL workers stopped fighting in Huanuni late on October 6 after reaching a truce (ref B), and buried the dead on the 7th. On October 9, a GOB commission consisting of the ministers of the presidency, health, and defense, and the national ombudsman met first with COMIBOL workers and representatives of the civilian population of Huanuni and later with cooperative mining leaders. The COMIBOL workers reportedly accepted the GOB's humanitarian aid plan and are willing to discuss various proposals for dividing the Posokoni mine between the two groups and revamping COMIBOL with private investment. However, the cooperative miners walked out of the talks, and refused to continue discussions until the government gave in to its demands: withdrawing the armed forces and police from Huanuni, sending wounded cooperative miners to private clinics, and compensating the widows. The Cooperative Mining Federation will hold a meeting in Oruro on October 10 to discuss next steps.

14. (SBU) The Cooperative Mining Federation harshly criticized President Morales for his removal of Mining Minister Villarroel and for his reaction to the conflict. The Cooperative Mining Federation president told the press that Evo Morales "did not respect our pain and blamed us for the conflict." According to television news reports, the cooperative miners not only decided to stop supporting the government, but allegedly threatened to take actions to overthrow it. CAINCO, a Santa Cruz business chamber strongly associated with the opposition, placed an add in the press offering aid to the miners and calling them brothers. It is likely that the political opposition will seek to exploit the conflict to ratchet up pressure on the MAS administration. Labor Union Wants to Put Evo on Trial

15. (SBU) The Bolivian Workers' Union plans to hold a march in La Paz on October 10 to support the COMIBOL workers. The executive secretary of the union reportedly stated that the union would seek to have President Morales and three ministers brought to trial for the events in Huanuni. Opposition congressmen from the National Unity party have also threatened to take legal action against the Minister of Government Alicia Munoz and the former Mining Minister Walter Villarroel.

16. (SBU) Comment: Although the fighting has stopped, reaching a permanent solution will be impossible without the cooperation of the cooperative miners, a powerful force in Bolivian politics. The GOB has lost another of its allies -- the 63,000 cooperative miners who feel betrayed by the government for not living up to its promises. Opposition leaders will likely seek to exploit this opportunity to ratchet up pressure on the MAS administration. The GOB's plans to revamp COMIBOL with private investment will be difficult to implement, as potential investors are likely to be deterred by the ongoing conflict between independent miners and state workers. End comment.
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